

HOUSE BILL No. 1354

DIGEST OF INTRODUCED BILL

Citations Affected: IC 28-11.

Synopsis: Department of financial institutions. Provides that three of the members appointed to the department of financial institutions (department) by the governor must have experience at the executive level of a state chartered: (1) bank; (2) savings association; or (3) savings bank. (Current law provides that: (1) two members must have experience at a bank; and (2) one member must have experience at a savings association or a savings bank.) Allows members of the department to establish policies and procedures for licensing and regulation of: (1) financial institutions; and (2) consumer finance institutions making supervised or regulated loans. Provides that if the governor declares a state of emergency in all or part of Indiana, the director of the department may take necessary and appropriate action to: (1) establish or preserve safe and sound banking methods; and (2) safeguard the interests of depositors and creditors. Provides that salaries and benefits for the department's employees shall be: (1) established by members of the department upon recommendation of the director; and (2) paid from the financial institutions fund. Provides that the director may recommend salaries and benefits substantially equivalent to those paid by the Federal Deposit Insurance Corporation or other federal agencies that supervise financial institutions.

Effective: July 1, 2007.

Bardon

January 16, 2007, read first time and referred to Committee on Financial Institutions.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1354

A BILL FOR AN ACT to amend the Indiana Code concerning financial institutions.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 28-11-1-3, AS AMENDED BY P.L.57-2006,
2 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2007]: Sec. 3. (a) The ultimate authority for and the powers,
4 duties, management, and control of the department are vested in the
5 following seven (7) members:

6 (1) The director of the department, who serves as an ex officio,
7 voting member.

8 (2) The following six (6) members appointed by the governor as
9 follows:

10 (A) ~~Two (2)~~ **Three (3)** members must have practical
11 experience at the executive level of a:

12 (i) state chartered bank;

13 (ii) **state chartered savings association; or**

14 (iii) **state chartered savings bank.**

15 ~~(B) One (1) member must have practical experience at the~~
16 ~~executive level of a state chartered savings association or a~~
17 ~~state chartered savings bank.~~

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~~(C)~~ **(B)** One (1) member must have practical experience at the executive level as a lender licensed under IC 24-4.5.

~~(D)~~ **(C)** One (1) member must have practical experience at the executive level of a state chartered credit union.

~~(E)~~ **(D)** One (1) member must be appointed with due regard for the consumer, agricultural, industrial, and commercial interests of Indiana.

(b) Not more than three (3) members appointed by the governor under subsection (a)(2) after June 30, 2006, may be affiliated with the same political party.

SECTION 2. IC 28-11-1-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. The members may by resolution establish policies and procedures in order to facilitate:

(1) the supervision of financial institutions by the department;

and

(2) the licensing and regulation of persons and entities under:

(A) this title; and

(C) IC 24.

SECTION 3. IC 28-11-1-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. If the governor:

(1) declares, under IC 10-14-3-12, a state of emergency in all or part of Indiana; or

(2) in the absence of a declaration under subdivision (1), gives prior approval to the director;

the director is authorized to take necessary and appropriate action to establish or preserve safe and sound methods of banking and to safeguard the interests of depositors and creditors.

SECTION 4. IC 28-11-2-3, AS AMENDED BY P.L.141-2005, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The director, on behalf of the department, shall employ qualified individuals as assistants, deputies, supervisors, and other necessary employees. The technical or professional qualification of an applicant shall be determined by examination, by professional rating, or as the director determines. **Salaries and benefits for employees of the department shall be:**

(1) established by the members:

(A) upon recommendation of the director; and

(B) subject to:

(i) the budget agency's approval under IC 4-12-1-13; and

(ii) IC 4-15-2 and the rules that implement it; and

(2) paid from the financial institutions fund established by

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1 **section 9 of this chapter.**
2 **In making a recommendation under subdivision (1)(A), the**
3 **director may recommend salaries and benefits substantially**
4 **equivalent to those paid by the Federal Deposit Insurance**
5 **Corporation or other federal agencies that supervise financial**
6 **institutions.**
7 **(b)** The director may retain the services of a qualified independent
8 contractor to assist the department in the examination process under
9 this article. Contracts executed under this section must comply with
10 state contracting laws and the contracting policies and procedures of
11 the Indiana department of administration.

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